

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 7, 2010
POSITION: Oppose
SPONSOR: The Greenlining Institute

BILL NUMBER: AB 41
AUTHOR: J. Solorio

BILL SUMMARY: Insurance: Community Development Investments

This bill would require each insurer that annually writes premiums of \$100 million or more in California, by July 1, 2011, and every two years thereafter, to develop and file with the Insurance Commissioner a community development investment policy expressing the insurer's goals for such investments during the two year period. The Commissioner would be required to establish a Web site link providing access to each insurer's community development investment information. This bill would extend the current January 1, 2011 sunset date to January 1, 2015 for insurance companies to biennially report on all community developments made in California.

FISCAL SUMMARY

The Department of Insurance has indicated that two positions, at a cost of \$102,500 in the first year (assuming partial year implementation) and \$193,000 ongoing, would be required to communicate with insurers, format data, and upload data.

COMMENTS

The Department of Finance is opposed to this bill because it would result in additional costs that are not included in the 2010-11 Budget.

Existing law requires insurance companies to provide information every two years to the Insurance Commissioner regarding community development investments, defines community development investments, and requires the Commissioner to provide aggregate information regarding community development investments on their Website every two years.

This bill would modify the requirements for insurers and the Commissioner regarding reporting and public access to information.

An identical bill, AB 1910 (Ridley-Thomas) of the 2007-08 legislative session, was vetoed by the Governor due to the delay in passing the 2008-09 Budget.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	PROP			2009-2010		2010-2011		2011-2012	
	LA	CO	FC	FC	FC	FC	FC	FC	FC	
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	FC	
0845/Insurance	SO	No		--	C	\$103	C	\$193		0217
<u>Fund Code</u>	<u>Title</u>									
0217	Insurance Fund									

Analyst/Principal (0221) R. Baker	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

